



Utah Office of Tourism



2012 Non-Winter Advertising Effectiveness ROI Wave

January 2013



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Background & Objectives

The Utah Office of Tourism (UOT) utilizes advertising and public relations to influence non-winter leisure travel to the state. Leisure travelers have many options and influencing their decisions is a difficult job considering the competitive environment and other external variables. An effective travel advertising campaign will break through the clutter and reach the target audience, deliver a relevant and persuasive message, build interest in visiting, and ultimately motivate travel.

Due to budget constraints, UOT made a strategic shift in 2011 by targeting five spot markets instead of a national audience. The result of this shift was a higher awareness percentage and stronger incremental travel percentage, but the smaller audience led to fewer target households reached and ultimately a smaller economic impact and return on investment. UOT continued the spot market strategy with the 2012 non-winter campaign, targeting the “tier 1” markets of Los Angeles, Denver, Las Vegas, Phoenix and Portland. San Francisco and Seattle were added in 2012 and are considered “tier 2” target markets.

UOT partners with Strategic Marketing and Research, Inc., (SMARI) to conduct advertising effectiveness research. This research is designed to measure the impact of the 2012 UOT non-winter advertising and learn what works in order to improve future efforts. The research is conducted in two waves – the initial awareness wave, which was delivered in August 2012, and this wave, which measures return on investment. The awareness wave focused on the reach of the campaign, its effectiveness in communicating intended messages, and ad impact on perceptions and planning. The wave 2 study, which was conducted after the target audience had a chance to visit, quantifies the level of travel attributable to the state’s marketing efforts, or “incremental travel,” as well as the economic impact and return on investment. The specific informational objectives of this wave 2 research are:

- Reviewing the results of the wave 1 research;
- Evaluating the impact of the marketing campaign on generating incremental visits to Utah;
- Reviewing visitor/trip specifics, including expenditures;
- Gauging the economic impact generated by these incremental trips;
- Determining the ROI and tax ROI;
- Exploring possible reasons for change in performance;
- Evaluating media performance;
- Assessing individual market performance to guide future media placement strategy; and
- Providing conclusions and recommendations relative to the UOT’s marketing efforts.

UOT continued to use a spot market advertising strategy with the 2012 non-winter campaign.

UOT partners with SMARI to measure the effectiveness of its marketing efforts.

This wave 2 research quantifies economic impact and ROI.

Methodology

SMARI's research methodology is based on how consumers make travel decisions. The wave 1 research detailed the first four steps of the process through measures of advertising awareness, creative evaluation, campaign impact on perceptions, and campaign impact on interest in travel. This wave 2 research focuses on the final step: measuring the level of travel directly attributable to the advertising campaign, or incremental travel.

SMARI's methodology is based on how consumers make travel decisions.

<u>Influence Process</u>		<u>Measure</u>
Exposure	→	Advertising Awareness
Messaging	→	Creative Evaluation
Shift in Attitudes	→	Campaign Impact on Perceptions
Build Interest	→	Campaign Impact on Interest in Travel
Generate Travel	→	Incremental Travel

Wave 2 data was collected between December 11 and 19, 2012, after the ads had time to influence travel. UOT targeted seven spot markets: Denver, Las Vegas, Los Angeles, Phoenix, Portland, San Francisco and Seattle. San Francisco and Seattle are new target markets in 2012 and are considered "tier 2" markets. The survey was administered to qualified respondents in each spot market. Respondents were screened to be responsible for travel planning in their household and to have taken at least one overnight leisure trip in the past year at least 50 miles from home. In total, 1,634 interviews were completed.

Tier 1 Market	Completed Surveys
Denver	247
Las Vegas	227
Los Angeles	231
Phoenix	227
Portland	238
Tier 2 Market	
San Francisco	228
Seattle	236
Total	1,634

The foundation of this research is that the impact of the advertising can be assessed by comparing the attitudes and behaviors of those who have not seen the advertising to those who have. For this to work, it is necessary to get an accurate assessment of advertising recall. Thus, SMARI utilizes an online survey that allows the respondents to view the ads used in the campaign.

Upon completion of the data-collection process, an SPSS dataset was compiled for analysis. The overall survey results were weighted to be representative of the traveling populations of each market. The following report details the key findings from this wave 2 research. A copy of the questionnaire appears in the Appendix of this report.

Advertising impact is assessed by comparing ad-aware and ad-unaware target consumers.

The Advertising Campaign

The advertising campaign's ability to influence travel relies on the message delivered, the media employed, the markets targeted, and the money spent. As such, a review of the creative materials, media used, the target markets, and campaign investment provides the necessary context for interpreting the results of this research.

UOT employed television, online banner, outdoor, print, and social media advertising in the 2012 non-winter advertising campaign. The television and online banner ads are the same as were used in the 2011 non-winter campaign. The 2012 print ads are new. Outdoor and social media advertising are new to the 2012 campaign.

The TV campaign included a "generic" 30-second spot and four 15-second spots that were used for specific markets. For example, the ads showcasing red rocks and national parks were shown in Portland since that type of terrain is not available in Oregon. In Phoenix and Los Angeles, the "alpine" ad emphasizing cooler temperatures was utilized. TV ads did not air in Las Vegas or Seattle. The TV ads by spot market are as follows:

Denver	Los Angeles	Phoenix	Portland	San Francisco
:30 Generic	:30 Generic	:30 Generic	:30 Generic	:30 Generic
:15 Red Rock	:15 Red Rock	:15 Alpine	:15 Red Rock	:15 Red Rock
:15 Adventure	:15 Arts/Events	:15 Adventure	:15 Adventure	:15 Adventure
	:15 Alpine			:15 Arts/Events

Outdoor and social media advertising were added to the 2012 campaign.

UOT reduced TV and print spending, but spent more on online advertising compared to 2011.



The television ads aired throughout April in Los Angeles, Denver and Portland. San Francisco received the television ads from mid-April to mid-May, while Phoenix was exposed to the television ads throughout May. The online ads ran throughout April to early May. Television and print spending was reduced notably compared to 2011, in contrast to a larger online investment. Overall campaign spending is almost equal from year-to-year.

Media	2011	2012	Change
TV	\$1,809,244	\$1,596,837	-12%
Outdoor	\$0	\$255,825	
Print	\$333,839	\$211,717	-37%
Online	\$174,000	\$280,000	61%
Social	\$0	\$20,000	
Total	\$2,317,083	\$2,364,379	2%

The messages and images presented in the 2012 non-winter advertising are quite diverse. As noted, the 15-second television ads were designed to appeal to different target

markets and run the gamut from red rocks to alpine landscapes and from adventure sports to the arts. The 30-second “Seamless” ad is family-oriented, communicating that “Anywhere in Utah you can find the perfect family getaway” and featuring scenery from Utah’s parks and cities. The print ads feature hiking, biking, RVing, and motorcycling. The online banner and mobile ads are more singularly focused on Utah’s five national parks and generating website visits and travel guide requests. Copies of the advertising appear in the Appendix of this report.

In addition to traditional advertising, UOT deploys public relations campaigns in the form of news articles/stories, e-mail promotions, travel guides, newsletters and social media. This research assesses awareness of these PR efforts as well as recollection of their specific content. The occurrence and impact of PR overlap with traditional advertising will also be evaluated.

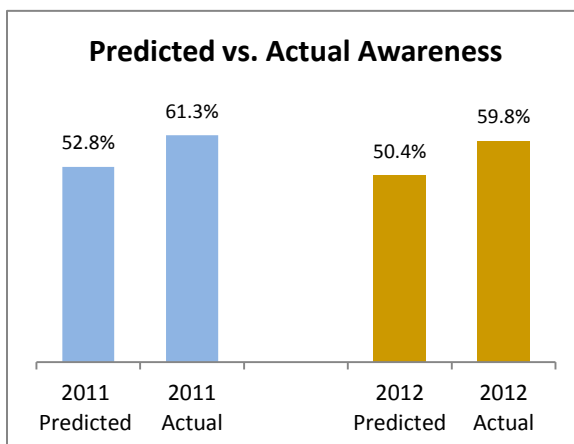
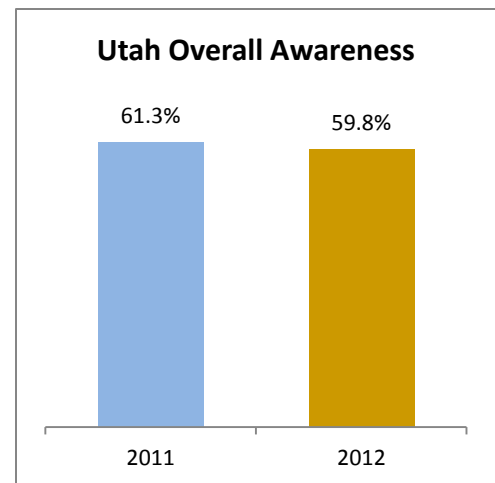
*Awareness and impact of UOT’s public relations efforts
is also assessed in this research.*

Wave 1 Review

Advertising Awareness

The first measure of an effective advertising campaign is awareness among the target audience, given that potential visitors must obviously be exposed to the message before it can influence them to travel. In addition, only those who recall the ads “count” in the final measure of incremental travel, making this measure critical to the success of a campaign.

Overall, about 60% of the target audience is aware of some element of the 2012 UOT non-winter advertising campaign. The level of awareness achieved is basically unchanged compared to 2011. Reaching 60% of the intended audience seems “good,” but how can this assessment be qualified? SMARI has used its wealth of tourism advertising data to develop a model that predicts expected awareness based on the number of target households and media spending. The model predicts that the 2012 UOT campaign would reach 50.4% of the target audience, so from this perspective the campaign performed better than expected. The model predicted the 2011 UOT campaign would reach a slightly higher percentage of target households because fewer markets were targeted with similar spending. When comparing the difference between predicted and actual awareness, the 2012 campaign performs slightly better than the 2011 campaign (actual 2012 awareness is 9.4% higher than predicted awareness compared to 8.5% higher in 2011).

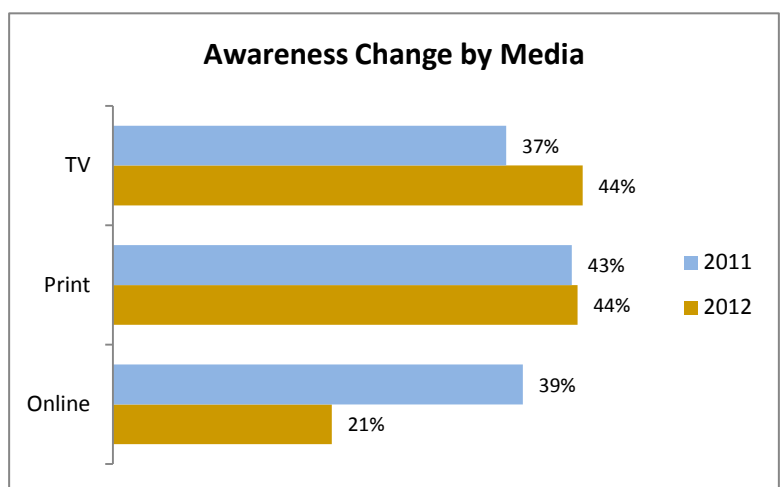


The 2012 UOT campaign reached 60% of the target audience – higher awareness than expected.

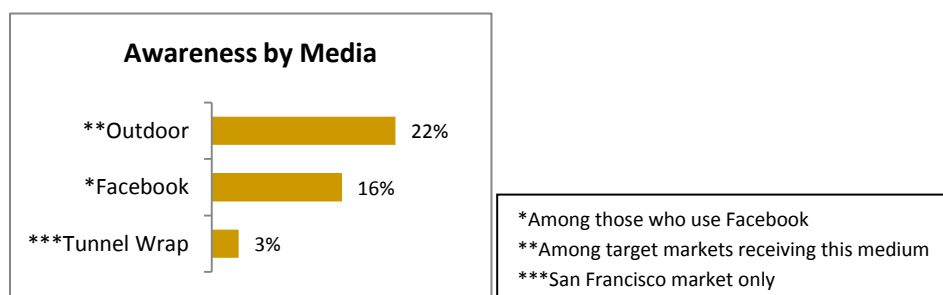
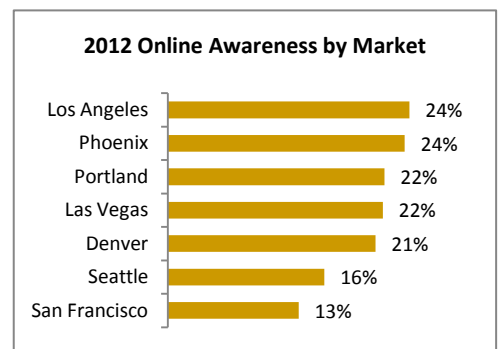
The 2012 campaign is also more efficient than the 2011 campaign in terms of the cost to reach a target household. UOT spent \$0.34 per 2012 household reached compared to \$0.47 per 2011 household reached. Media spending and awareness achieved were very similar from year-to-year, so the efficiency gain can be attributed to successfully stretching the budget out to cover two additional markets (Seattle and San Francisco). Of course, the television and online ads used in 2012 are the same that were used in 2011, so there is likely some degree of awareness carry-over that should be considered when comparing awareness performance from year-to-year.

	2011	2012
Target HHs	8,091,172	11,768,777
Awareness	61.3%	59.8%
Aware HHs	4,961,673	7,040,855
Media Expenditures	\$2,317,083	\$2,364,379
Cost per Aware HH	\$0.47	\$0.34

Television awareness increased despite lower spending, which is not necessarily surprising given the ads have aired for two years. In contrast, the decline in online awareness is unexpected given higher spending and the ads running for the second year. Online advertising has the advantage of being highly targetable, but the online advertising environment is more and more cluttered, which can make it difficult for ads to break through and be remembered. It should be noted that the new target markets of Seattle and San Francisco are not the only reason for the decline in online awareness. These markets do have relatively low online awareness, but all markets have lower online awareness than the overall level achieved in 2011.



Of the remaining media, outdoor achieved the strongest awareness. The Facebook ads reached 16% of users of this social media outlet (and 11% of the total target audience). The San Francisco tunnel wrap reached a very small percentage of this market.



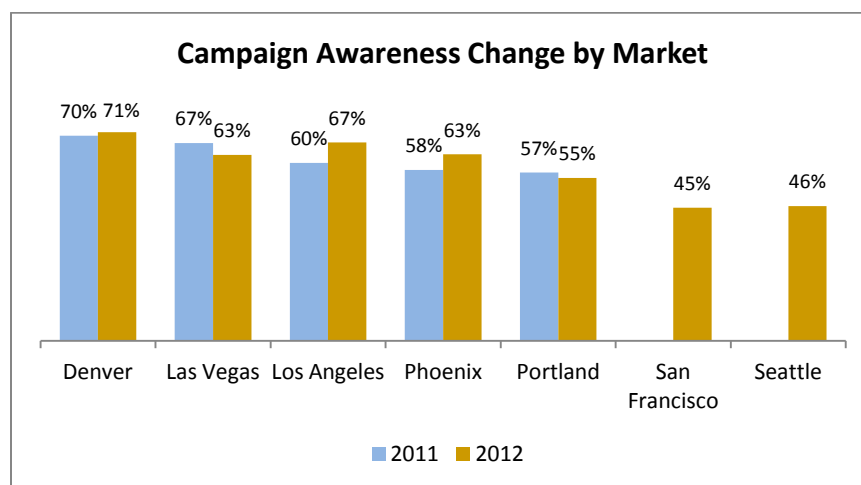
The cost per aware household calculation can be applied to individual media to determine which reached the target audience most efficiently. Print advertising, with its relatively strong awareness and the smallest investment, was the most reach-efficient medium by far. UOT reached a target household with print advertising for \$0.04. Online and outdoor advertising were the next most efficient media at \$0.12 and \$0.15, respectively. UOT spent the most to reach a target household with television advertising. This is not to say that UOT should focus on print advertising and get rid of television advertising; SMARI has found that television is almost always the least reach-efficient medium but also is often the greatest awareness generator and the best forum for showcasing and communicating a destination's attractions. Individual media ratings will be reviewed later in this report.

	TV	Print	Online	Outdoor
Target HHs	9,791,855	11,768,777	11,768,777	7,991,613
Awareness	44%	44%	21%	22%
Aware HHs	4,341,515	5,160,128	2,431,989	1,758,475
Ad Spend	\$1,596,837	\$211,717	\$280,000	\$255,825
Cost per Aware HH	\$0.37	\$0.04	\$0.12	\$0.15

Print was the most reach-efficient medium.

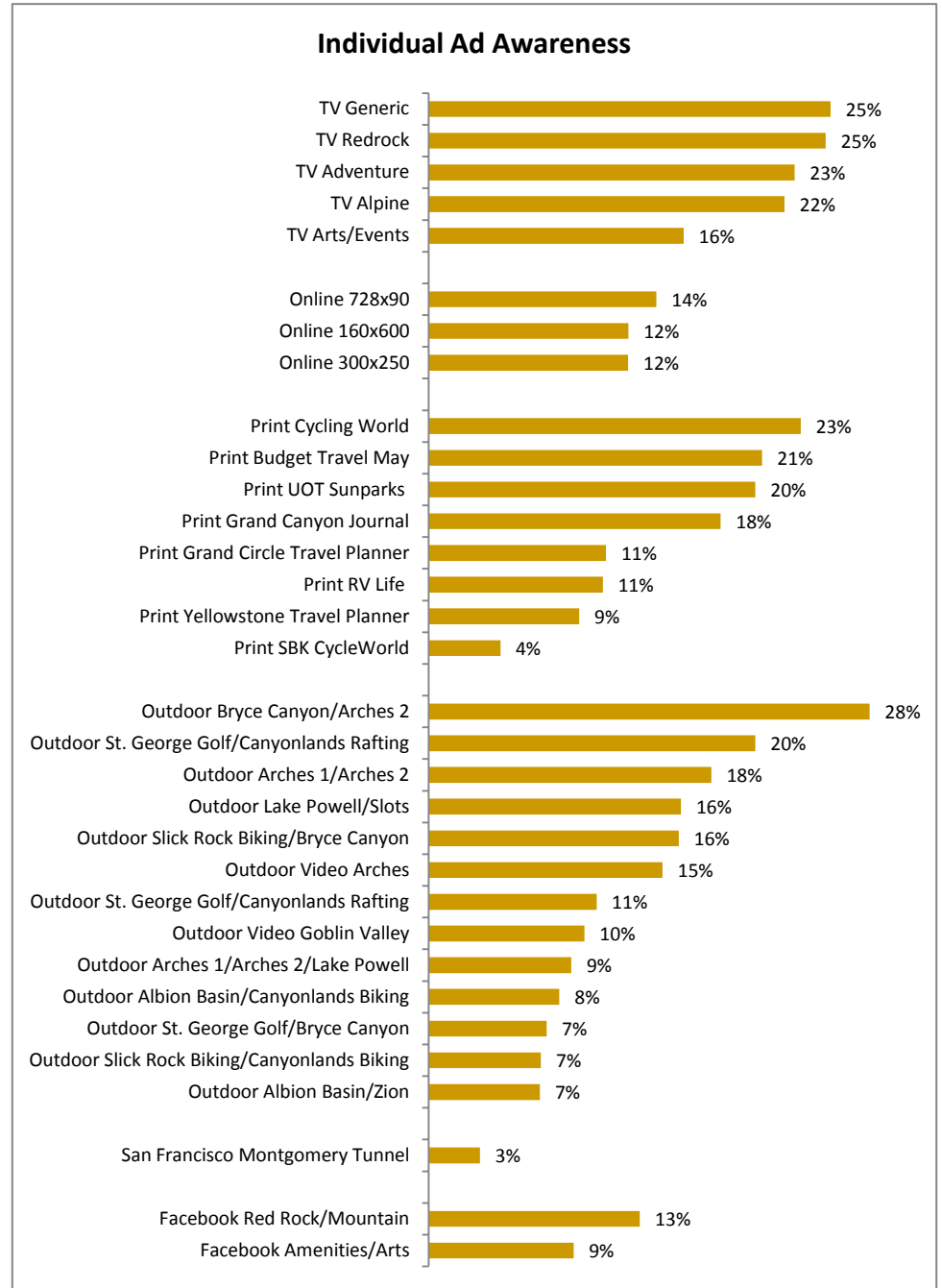
*Television and outdoor advertising ran in select markets, so their base of target households is smaller.

A review of awareness by market reveals that recall increased in Los Angeles and Phoenix, remained stable in Denver, and declined slightly in Las Vegas and Portland. Relatively low awareness in the new markets of San Francisco and Seattle is what prevented overall awareness counting all markets from increasing.



The new spot markets prevented overall awareness from increasing.

Next, consider awareness of individual ads. Many variables can influence individual ad awareness including spending, placement, and the execution of the ads. The included analysis does not attempt to use all of these variables to explain performance; rather it is an effort to identify overall which executions were most successful at reaching the target audience. The most interesting finding here is that the ads that feature the iconic Delicate Arch generally have the highest awareness. These executions include TV Redrock, print Budget Travel May, and outdoor Bryce Canyon/Arches 2. SMARI has found time and again that the use of iconic scenery makes advertising more appealing and memorable. Utah has no shortage of beautiful and iconic scenery that should continue to be featured in tourism advertising.

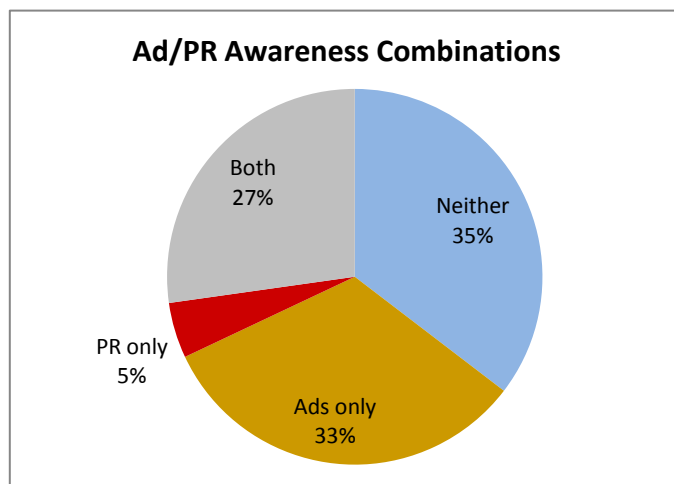
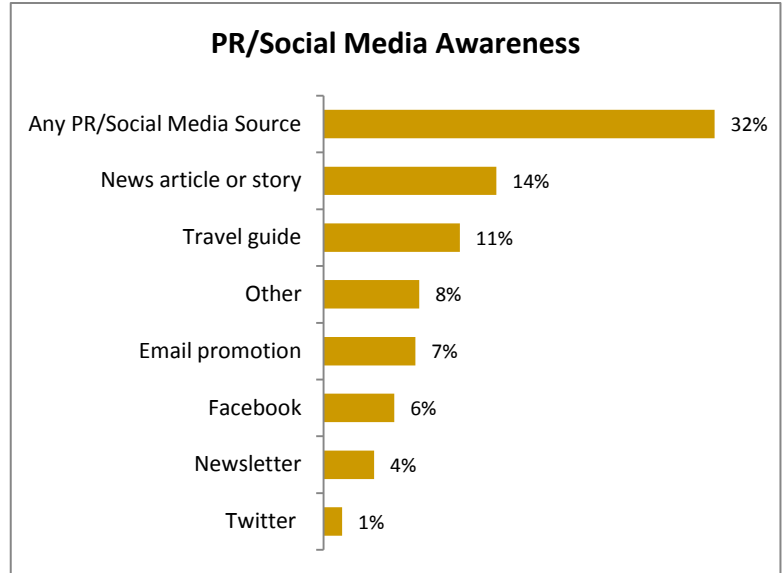


The ads that feature the iconic Delicate Arch generally have the highest awareness, highlighting the importance of using beautiful and iconic scenery in advertising.

PR/Social Media Awareness

The 2012 public relations and social media efforts reached nearly one-third of the target audience. News articles and the travel guide had the highest awareness of the individual efforts. Most of the “other” responses were TV advertising or just advertising in general.

In total, about two-thirds of the target audience was aware of advertising or PR efforts and 27% indicated seeing both. Only 5% were aware of the PR efforts but not traditional advertising. The impact of these different awareness combinations on image and interest in travel will be reviewed later in this report.



The 2012 PR/Social media efforts reached almost one-third of the target audience.

Creative Evaluation

Reaching the target audience is the first step toward influencing Utah travel, but awareness alone is not sufficient. The ads must also deliver a relevant and persuasive message that differentiates the state while communicating its benefits as a travel destination. If the message is not strong, then the campaign is not likely to have the desired impact of generating incremental travel. Therefore, this research also evaluates consumers' reactions to the creative elements to ensure that they are meaningful and persuasive.

The television ads continue to receive “excellent” ratings for the majority of the communication attributes. *Scenery, landscapes, national parks* and *outdoor adventure* are the messages that come through the strongest. There were some small ratings declines compared to 2011, which could be due to some degree of wear out, but overall the television ads are still effectively communicating the intended messages.

The 2012 UOT television ads are “excellent” at communicating many of the intended messages, but might be showing signs of wear out.

TV Communication Attributes	2011	2012	Difference	
With beautiful scenery	4.5	4.5	0.0	Excellent Ratings
With dramatic landscapes	4.5	4.5	0.0	
With lots of national parks	4.4	4.4	0.0	
That has outdoor adventure for all levels	4.4	4.3	-0.1	
That is challenging	4.0	4.0	0.0	
That is elevating	4.1	4.0	-0.1	
That has something surprising or unexpected	4.1	4.0	-0.1	Good Rating
That has lots of activities for kids	3.9	3.8	-0.1	
That has diverse cultural and historic opportunities	3.8	3.7	-0.1	
That offers high end amenities and services	3.5	3.4	-0.1	
That is luxurious	3.4	3.3	-0.2	Average Rating

The television ads received slightly lower impact ratings than last year, which is again potentially indicative of some degree of wear out. The declines are not statistically significant, but the fact that all three of the attribute ratings did decline is suggestive of some loss of persuasive power from this evaluative standpoint. As noted, SMARI now has benchmarks for each individual impact rating, so the 2012 TV ads would be considered “good” at generating interest in visiting the state. The ads received a rating in the top 25% for generating interest in learning more about the state, which is considered a “goal” rating.

TV Impact Attributes	2011	2012	Difference	
Want to visit the state	3.7	3.6	-0.1	Average Rating
Want to learn more about things to see and do in the state	3.7	3.6	-0.1	
Want to go to the state website or request a brochure from the state	3.5	3.3	-0.1	Excellent Rating

The 2012 print ads are new, but they received fairly similar ratings to the 2011 print ads. The print ads are again “excellent” at communicating *beautiful scenery*, *dramatic landscapes* and *national parks*. The 2012 ads did receive a significantly lower rating for *lots of activities for kids*, which makes sense given the new ads do not feature children and put more emphasis on typically adult-oriented activities like expert mountain biking and motorcycle racing.

Print Communication Attributes	2011	2012	Difference	
With beautiful scenery	4.5	4.5	0.0	Excellent Ratings
With dramatic landscapes	4.5	4.5	0.0	
With lots of national parks	4.3	4.3	0.0	
That has outdoor adventure for all levels	4.3	4.2	-0.1	
That is challenging	3.9	3.9	0.0	Good Ratings
That has something surprising or unexpected	3.9	3.9	0.0	
That is elevating	3.9	3.8	-0.1	
That has diverse cultural and historic opportunities	3.5	3.4	-0.1	
That has lots of activities for kids	3.7	3.4	-0.4	
That offers high end amenities and services	3.3	3.1	-0.2	
That is luxurious	3.2	3.0	-0.2	

This ratings exercise would suggest that the 2012 print ads are not as strong as the 2011 ads at generating interest in visiting Utah or learning more about what Utah has to offer as a travel destination. In fact, the rating for *want to visit the website or request a brochure* fell to the “notable weakness” level. The visitutah.com website is included on all of the print ads, but if encouraging website visits is a goal of these ads then UOT might consider making the URL more prominent.

There is an opportunity to make the visitutah URL more prominent on the print ads.

Print Impact Attributes	2011	2012	Difference	
Want to visit the state	3.6	3.5	-0.2	Average Ratings
Want to learn more about things to see and do in the state	3.6	3.4	-0.1	
Want to go to the state website or request a brochure from the state	3.3	3.2	-0.2	Weakness

Print advertising offers UOT the opportunity to showcase Utah’s beautiful and iconic scenery.

Communication attributes are not tested for the online banner ads because they are not designed to communicate specific messages and are instead meant to drive website visits and travel guide requests. Thus it is discouraging to note that the ads receive “weak” ratings for all of the impact attributes. The ratings are lower than last year, which could be due to wear out associated with using the same ads. Online ads are a challenge. This relatively new medium has to operate in a small space in a crowded environment where consumers are on the move. Even when testing the ads in a controlled environment such as this survey we generally see online ads receiving lower ratings than other media. The UOT online ads are fairly straightforward in their promotion of Utah’s scenery and parks and their call to action to visit the website. However, the over-packed car might be a distraction. The 2011 ad testing revealed that this icon was misunderstood and generally disliked. Future online ads should focus more on scenery by omitting the over-packed car.

Removing the over-packed car from the online ads might help bring the focus to the scenery and the call to action of visiting the website.

Online Impact Attributes	2011	2012	Difference
Want to visit the state	3.3	3.1	-0.2
Want to learn more about things to see and do in the state	3.2	3.1	-0.1
Want to go to the state website or request a brochure from the state	3.1	2.9	-0.2

} Weakness

The preceding review of each UOT advertising medium in isolation would suggest that the television ads are the strongest at communicating key messages and generating interest in visiting Utah. To help illustrate this point, the following table indexes the UOT media against one another. Television clearly comes to the top. So while television is a comparatively expensive medium, it is a key component in terms of both generating awareness and generating interest in visiting Utah.

Impact Attributes	TV	Print	Online	Outdoor
Want to learn more about things to see and do in the state	106	103	93	98
Want to go to the state website or request a brochure from the state	106	101	94	99
Want to visit the state	106	103	92	99

Television advertising is relatively expensive, but it plays a major role in generating awareness and generating interest in visiting Utah.

Ad Impact on Image

Those aware of the 2012 UOT advertising rated Utah higher than those unaware on all image attributes tested. It may be surprising that the ads have a relatively strong impact on *luxurious* given this is the attribute that was rated lowest in the creative ratings exercises. The reason for the strong impact is simply because this attribute has the most room for improvement. In contrast, the ads have a relatively small impact on *dramatic landscapes and mountains* because even those who have not seen the ads rate Utah highly. Other attributes that are more in line with the creative messages and are strongly influenced include *exciting, fun, challenging, elevating* and *has a wide variety of things to do*.

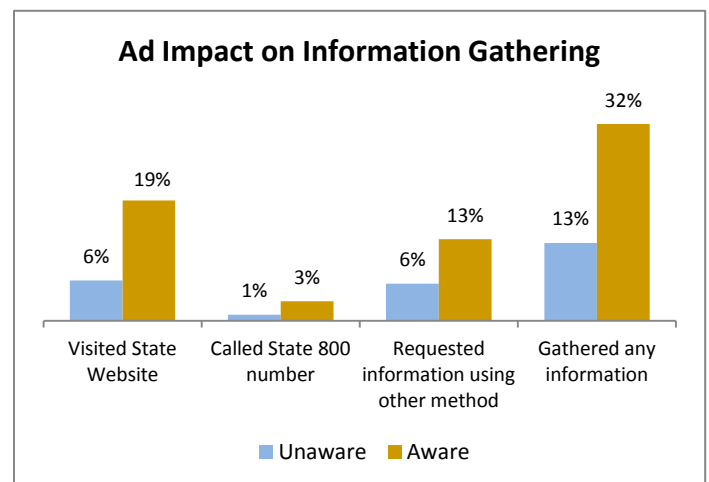
The ads have a positive impact on all image attributes.

Attributes are organized by strongest ad impact to weakest impact.

Utah Image Attribute	Unaware Mean	Aware Mean	Difference
Exciting	3.0	3.4	0.4
Luxurious	2.6	3.0	0.4
Fun	3.2	3.6	0.4
Challenging	3.0	3.4	0.4
Charming	3.0	3.4	0.4
Sporting events & activities	3.1	3.4	0.3
Lots of activities for kids	3.1	3.4	0.3
Elevating	3.1	3.4	0.3
Has a wide variety of things to do	3.3	3.6	0.3
Has variety of cultural arts	2.9	3.2	0.3
Good hunting or fishing	3.3	3.6	0.3
Surprising	3.0	3.3	0.3
Lots of national parks	3.7	4.0	0.3
Has variety of historic sites & landmarks	3.4	3.7	0.3
A good value for the money	3.2	3.5	0.3
Lots of festivals and special events	2.9	3.2	0.3
Has activities for all seasons	3.5	3.8	0.3
Good place for outdoor adventure	3.9	4.2	0.3
Relaxing	3.4	3.7	0.3
Entertainment & nightlife	2.4	2.7	0.3
Friendly	3.4	3.6	0.3
Good snow skiing	3.8	4.0	0.3
Dramatic landscapes and mountains	4.0	4.2	0.2
Beautiful scenery	4.0	4.2	0.2

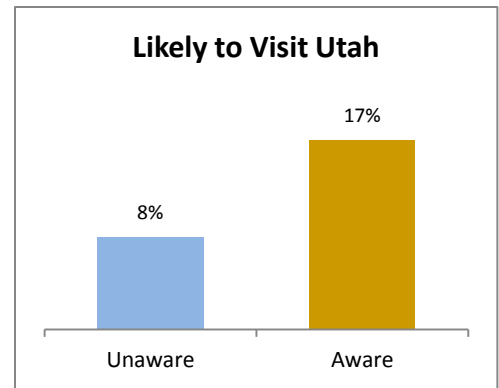
Ad Impact on Information Gathering

It was previously reviewed that the advertising is “weak” at driving website visits from an evaluative ratings standpoint. However, when looking at actual behavior of those unaware and aware of the ads we see that the aware group is much more likely to have gone to the Utah state website. In fact, the aware group was also more likely to call the state 800 number and to request information using another method. Overall those who saw the ads were more than twice as likely to gather any Utah travel information.



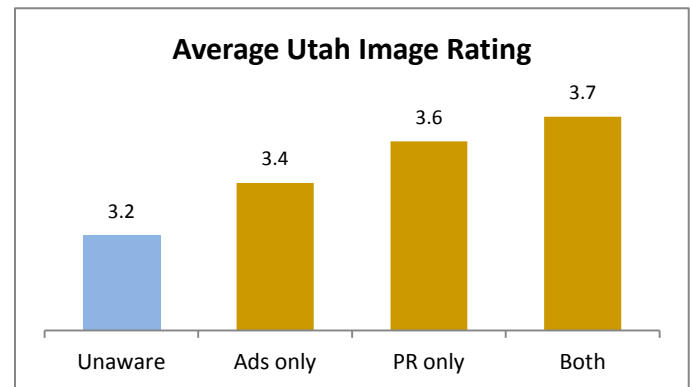
Ad Impact on Likelihood to visit

The 2012 non-winter campaign also has a positive impact on likelihood to visit Utah. The likelihood figures used in the chart are derived using an “80/20” rule that estimates that 80% of those who say they are *very likely* to visit will follow through, and that 20% of those who are *somewhat likely* to visit will actually do so. While not intended to project actual visitation numbers, this method does *estimate* what incremental travel *could* look like.

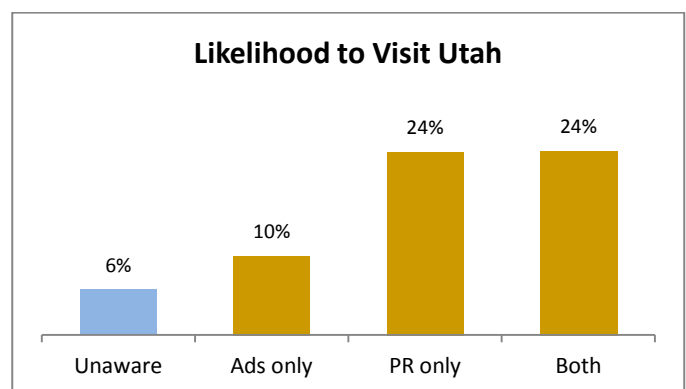
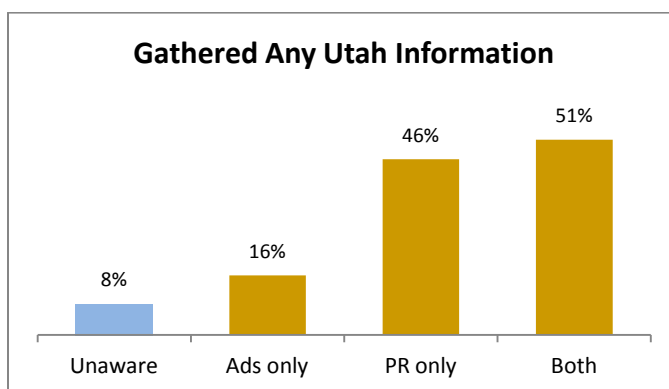


PR Impact on Image, Info Gathering, & Likelihood

Synergies are often realized with multiple exposures. Multiple exposures can mean seeing the same ad multiple times, seeing multiple media, or in this case seeing traditional advertising and public relations efforts. The following reviews the impact of PR efforts and traditional advertising in isolation as well as the combination of the two.



Based on average image ratings, information gathering, and likelihood to visit, the public relations efforts in isolation have a greater impact than traditional advertising in isolation. And a synergy is created when the audience is exposed to both traditional advertising and public relations.



Synergies are created when the target audience is exposed to PR and traditional advertising efforts.

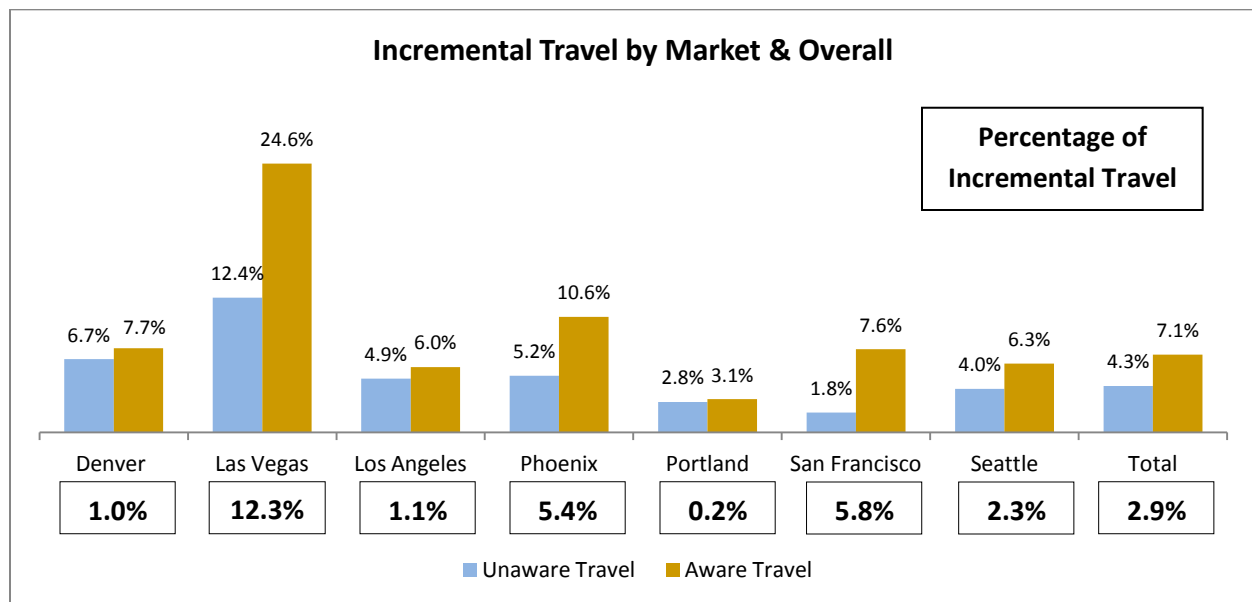
Ad Impact on Utah Travel

The ultimate measure of advertising influence is travel. Did the advertising influence Utah trips that would not have occurred otherwise? The level of advertising influence is assessed by conducting a simple experiment-type comparison. The level of Utah travel among the unaware group is the control measure, while the level of Utah travel among the aware group is the test measure. The difference between the test and the control is *incremental travel*, and is considered to be influenced by the advertising. For the purposes of this analysis only trips that occurred after the advertising began are considered.

The 2012 UOT advertising campaign was able to generate incremental travel in all target markets. The overall increment was 2.9%. Las Vegas stands out for having the highest incremental travel percentage, indicating that the ads were effective at drawing visitors from this nearby target market. San Francisco also stands out for its positive result in its first year as a target market. It also seems that the ads wore-in during their second year in the Phoenix market, which was added to the media plan in 2011. Previous research has shown that it is difficult to influence travel from the nearby Denver market due to a consistently high rate of ad-unaware travel – and this year is no different. UOT might consider allocating the Denver resources to another target market.

The 2012 non-winter campaign generated travel from all target markets. However it remains a challenge to generate travel from the Denver market.

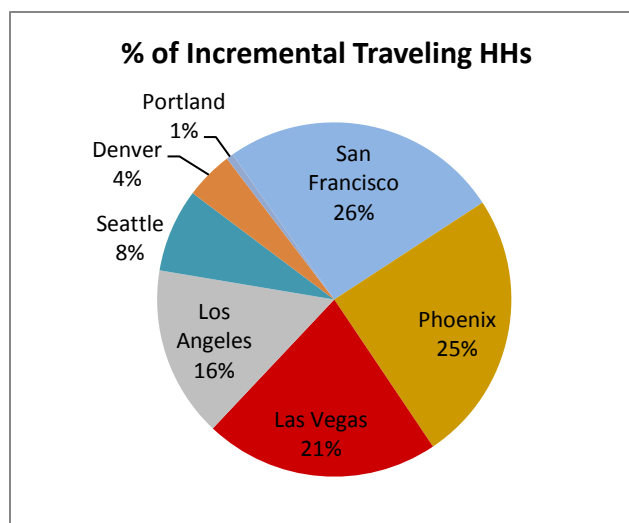
Market	2011 Increment	2012 Increment
Denver	1.8%	1.0%
Las Vegas	3.2%	12.3%
Los Angeles	4.5%	1.1%
Phoenix	3.2%	5.4%
Portland	2.7%	0.2%
San Francisco	NA	5.8%
Seattle	NA	2.3%
Total	3.6%	2.9%



Overall, almost 200K household trips can be attributed to the 2012 UOT non-winter advertising campaign. This is a notable improvement over the 177K trips influenced in 2011. The addition of San Francisco and Seattle as target markets helped to deliver this improvement. In general, targeting more households will lead to a stronger result as long as the ads are able to reach the target audience efficiently and influence their travel behaviors. It is important to remember that more than 800K household trips were attributed to the 2010 *national* advertising campaign. The recent spot market campaigns have been able to produce higher ad awareness and a stronger incremental travel percentage, but the dramatically lower number of target households in a spot market effort ultimately lead to fewer influenced trips.

	Denver	Las Vegas	Los Angeles	Phoenix	Portland	San Francisco	Seattle	2012 Total	2011 Total
Traveling HHs	1,199,170	547,478	4,320,852	1,434,446	913,274	1,924,113	1,429,444	11,768,777	8,091,172
Awareness	71%	63%	67%	63%	55%	45%	46%	60%	61%
Aware HHs	849,412	345,662	2,909,665	907,814	505,369	869,194	653,739	7,040,855	4,961,673
Incremental Travel %	1.0%	12.3%	1.1%	5.4%	0.2%	5.8%	2.3%	2.8%	3.6%
Incremental Traveling HHs	8,678	42,441	30,893	49,071	1,262	50,491	15,077	197,913	177,288

The new San Francisco market accounts for the largest percentage of incremental traveling households due to its relatively large population and strong response to the advertising. Phoenix and Las Vegas also account for relatively large portions of influenced Utah trips. It seems that the ads wore in during their second year in Phoenix, and the nearby Las Vegas audience responded to the advertising. Denver and Portland continue to account for small pieces of the pie (in 2011 Denver and Portland each contributed 8% of incremental Utah trips). Portland is the one of the more distant target markets, which may inhibit ad influence, especially with high gasoline/travel costs. The large size of the Los Angeles market compensated for its relatively low rate of incremental travel.



2010 National Campaign	
Traveling HHs	80,117,113
Awareness	39%
Aware HHs	31,515,501
Incremental Travel %	2.6%
Incremental Traveling HHs	817,046

UOT should continue to target the San Francisco market.

Portland and Denver assets could be allocated elsewhere.



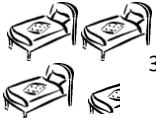

Return on investment is not calculated for individual markets due to the difficulty of allocating the print budget. However, the television, outdoor, online, and social media buys can be assigned to specific markets, and a simple ratio of the percentage of incremental traveling households to the percentage of the media investment can provide a measure of comparative performance. For example, Las Vegas contributed 21% of incremental trips with just 3% of the media investment, resulting in a ratio of 7.4:1 and making it the most “efficient” market. Denver and Los Angeles stand out as the least efficient travel generators.

Market	TV, Outdoor, Online, & Social Media Spend	% of Spend	% of Incremental Traveling HHs	Ratio
Denver	\$229,876	11%	4%	0.4
Las Vegas	\$62,060	3%	21%	7.4
Los Angeles	\$1,096,466	51%	16%	0.3
Phoenix	\$245,564	11%	25%	2.2
Portland	\$145,589	7%	1%	0.1
San Francisco	\$323,107	15%	26%	1.7
Seattle	\$50,000	2%	8%	3.3
Total	\$2,152,662			

Before revealing the economic impact and return on investment of the 2012 non-winter advertising campaign, first consider a review of Utah trip specifics that can provide context for interpreting the ultimate results and can also emphasize strategic opportunities.

Utah Trip Specifics

Travel party size remained stable at just under three people, but 2012 visitors stayed longer in Utah on average than did 2011 visitors. This is the result of adding the Seattle and San Francisco markets, as visitors from these more distant markets tended to stay longer.

	2011	2012
Avg. # people in travel party	 2.8	 2.8
Avg. # nights spent in Utah	 3.1	 3.9

Longer Utah trips resulted in higher average visitor spending. Utah visitors this year spent an average of \$810 while in the state compared to the \$745 spent by 2011 visitors. The specific spending categories driving the increase include lodging, food, and transportation.

Spending Category	2011 Avg. Spending	2012 Avg. Spending
Lodging/Accommodations	\$176	\$240
Meals/Food/Groceries	\$133	\$173
Snow skiing/Snowboarding	\$35	\$18
Other entertainment/ Attractions or recreation	\$66	\$56
Shopping	\$110	\$76
Entertainment	\$25	\$23
Transportation	\$177	\$208
Other	\$22	\$17
Total	\$745	\$810

*2012 Utah visitors
stayed longer and
spent more on
average than did
2011 visitors.*

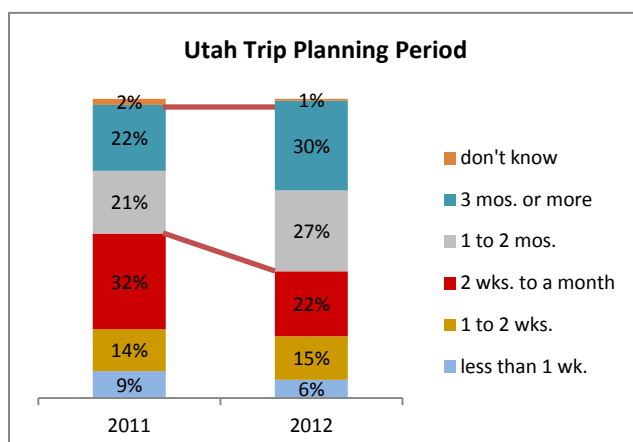
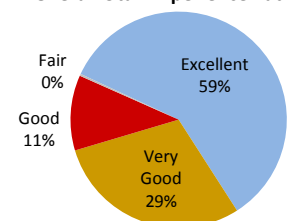
Utah's parks, scenery, and hiking/biking opportunities motivate the vast majority of travel to the state. These images should be featured in all marketing materials to arrive at a consistent and persuasive campaign. The print ads are especially useful for displaying beautiful, dramatic, and iconic imagery. The picture can fill the page and also hold the potential to reach viewers repeatedly. The existing print ads do contain iconic imagery, but the pictures are often small and collaged. Utah obviously has a good travel product, as evidenced by visitors' trip ratings. UOT just needs to make sure that the ads capture the Utah travel experience.

Persuasive advertising will feature beautiful, dramatic, and iconic full-page pictures of Utah's parks and scenery.

Activity/Attraction	% Participated While in Utah	x	% of these Motivated by Activity/Attraction	=	Total % of Utah Trips Motivated by Activity/Attraction
Visiting a state or national park	50%		70%		35%
Scenic drives through the country	51%		43%		22%
Hiking or biking	40%		55%		22%
Rural sightseeing	46%		17%		8%
Visiting historical sites	25%		27%		7%
Snow Skiing/Snowboarding	10%		62%		6%
Shopping	52%		12%		6%
Watching sporting events	8%		65%		6%
Visiting quaint small towns	25%		17%		4%
Wildlife viewing	17%		25%		4%
Fine dining	26%		12%		3%

In addition to longer Utah visits, targeting more distant markets also led to longer Utah travel planning periods. Most Utah visitors required one to three months to plan their trip. If future campaigns are placed in a similar collection of target markets, the ideal time to begin reaching potential visitors with advertising would be three or four months before the travel season.

Overall Utah Experience Rating



Advertising should begin reaching potential visitors three or four months before the travel season.

Economic Impact & ROI

The ultimate measures of campaign impact are the travel revenue generated and the return on the advertising investment. As previously reviewed, Utah visitors spent an average of \$810. Applying this average spending level to the nearly 200K influenced trips results in an economic impact of about \$160M that is directly attributable to the advertising.

	Denver	Las Vegas	Los Angeles	Phoenix	Portland	San Francisco	Seattle	Total
Incremental Traveling HHs	8,678	42,441	30,893	49,071	1,262	50,491	15,077	197,913
Avg. Trip Spending	\$600	\$746	\$750	\$619	\$786	\$932	\$1,449	\$810
Economic Impact	\$5,204,215	\$31,651,992	\$23,155,295	\$30,381,279	\$991,372	\$47,077,744	\$21,852,072	\$160,313,969

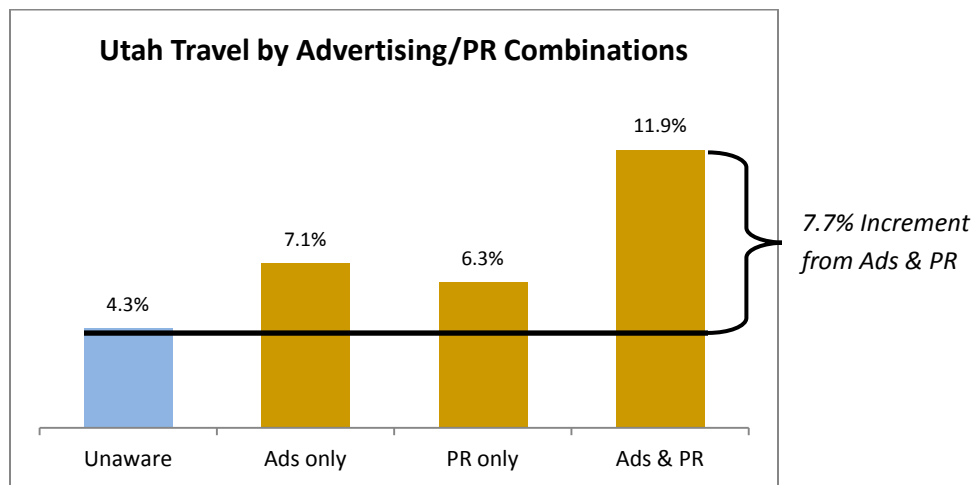
The 2012 advertising campaign generated 21% more travel revenue for the state than the 2011 campaign did. Media spending was lower this year, which ultimately led to a 23% ROI increase. The 2012 UOT non-winter campaign returned \$68 in travel revenue for every dollar spent on advertising. The 2012 state and local tax ROI are \$3.19 and \$2.20, respectively. While this is a notable increase over the 2011 result, it should be noted that the 2010 ROI was much higher when UOT implemented a national advertising campaign. Spot and national advertising strategies are so different that any numeric comparisons should be made with caution, but it is inarguable that a national campaign that is able to generate incremental travel with reasonable spending will almost always outperform a spot campaign with similar spending.

	2010	2011	2012	% Change from 2011
Incremental Traveling HHs	817,046	177,288	197,913	12%
Avg. Trip Spending	\$811	\$745	\$810	9%
Economic Impact	\$662,419,466	\$132,023,962	\$160,313,969	21%
Media Spending	\$2,394,383	\$2,394,383	\$2,364,379	-1%
ROI	\$277	\$55	\$68	23%

	2010	2011	2012
State Tax Revenue	\$31,142,681	\$6,206,913	\$7,536,926
State Tax ROI	\$13.01	\$2.44	\$3.19
Local Tax Revenue	\$21,537,598	\$4,292,566	\$5,212,374
Local Tax ROI	\$9.00	\$1.69	\$2.20

PR Impact

The wave 1 research findings relating to Utah's image ratings, information gathering, and likelihood to visit suggested that a synergy is created when the target audience is exposed to both traditional advertising and public relations marketing. This wave 2 research confirms that the combination of traditional advertising and public relations works to influence Utah travel. Public relations efforts are likely to reach an engaged and interested audience and are certainly a worthwhile marketing tool, especially in concert with traditional advertising.



Those exposed to both traditional advertising and public relations marketing have the highest rate of Utah travel.

UOT spent \$80,500 on PR efforts from April 2012 to September 2012, which makes the combined ad/PR budget \$2.44M. When accounting for the level of incremental travel generated from advertising and PR, the total ROI, state tax ROI, and local tax ROI are \$99, \$4.66, and \$3.23, respectively. The addition of PR results in a 46% increase in ROI over the ROI generated from traditional advertising alone.

Total Ad & PR	
Traveling HHs	11,768,777
Ad & PR Aware	27%
Ad & PR Aware HHs	3,205,139
Incremental Travel %	7.7%
Incremental Traveling HHs	245,889
Avg. Trip Spending	\$986
Economic Impact	\$242,542,775
Ad & PR Spending	\$2,444,879
ROI	\$99
State Tax ROI	\$4.66
Local Tax ROI	\$3.23

Traditional Advertising Alone	
	\$68
	\$3.19
	\$2.20

46% ROI increase over ads alone

Key Findings & Recommendations

The 2012 non-winter campaign is similar to the 2011 non-winter campaign. A spot market strategy was again employed, media spending was nearly equivalent, the ads again ran primarily in April and May, and the same TV and online banner ads were used in both years. Changes include adding San Francisco and Seattle as target markets, updating the print advertising, and adding outdoor and social media advertising. This research quantified the economic impact and ROI of the 2012 advertising campaign:

- ***The 2012 UOT non-winter campaign ultimately generated about \$160M in travel revenue for the state.*** This marks a 21% increase over the \$132M economic impact of the 2011 campaign.
- ***The 2012 campaign returned \$68 for every advertising dollar invested.*** The 2011 ROI was \$55.
- ***The 2012 state and local tax ROI were \$3.19 and \$2.20, respectively.***
- The rate of incremental travel was relatively low in Denver, Los Angeles, and Portland. Previous research has shown that it is difficult to influence travel from the nearby Denver market due to a consistently high rate of ad-unaware travel. ***UOT might consider allocating the Denver resources to another target market.*** Portland is one of the more distant target markets, which may inhibit ad influence, especially in times of high gasoline prices. The large size of the Los Angeles market compensates for its relatively low rate of incremental travel.
- ***UOT should definitely continue to run ads in San Francisco, as it produced the most ad-influenced trips of any market in its first year as a target market.***
- A synergy is created when the target audience is exposed to both traditional advertising and PR marketing efforts. In fact, ROI increases by about 46% when factoring in the PR efforts. ***UOT should continue to use traditional advertising and PR and strive to reach the target audience with both.***

Additional key findings and strategic considerations resulting from this research include:

- ***About 2 million additional target households were reached due to adding San Francisco and Seattle as target markets. UOT successfully stretched the budget out over these two new target markets.*** The cost to reach an aware household with the 2012 non-winter campaign is \$0.34 compared to \$0.47 in 2011.
- It is important to remember that ***recent UOT national advertising campaigns have produced much larger economic impact and ROI figures.*** Spot market campaigns generate higher awareness and stronger levels of incremental travel, but are limited due to their smaller base of target households. But, of course, the budget is also a concern, and rising media costs have made a national campaign less feasible.
- The ads that feature the iconic Delicate Arch generally have the highest awareness, ***highlighting the importance of using beautiful and iconic scenery in advertising. Additionally, Utah's parks, scenery, and hiking/biking motivate almost 90% of trips to the state and should be the predominant images used in marketing materials. The print ads offer an opportunity to display full-page images of these trip motivators.***

- *There is also an opportunity to feature the visitutah.com URL more prominently on the print advertising.*
- *Utah's parks alone motivate more than one-third of state visits and should continue to be highlighted in advertising.*
- *Removing the over-packed car icon from the online ads might bring the focus to the scenery and call to action of visiting the Utah website.*
- TV and online ratings declined, which could be indicative of some degree of wear out resulting from using the ads two years in a row. ***Ad wear-out is an especially important consideration in the nearby and established Denver market.*** There is an opportunity to target new market(s) or to refresh the Denver campaign with new information, images, and deals.